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SERVICE SECTOR INDICATORS

C I B C R

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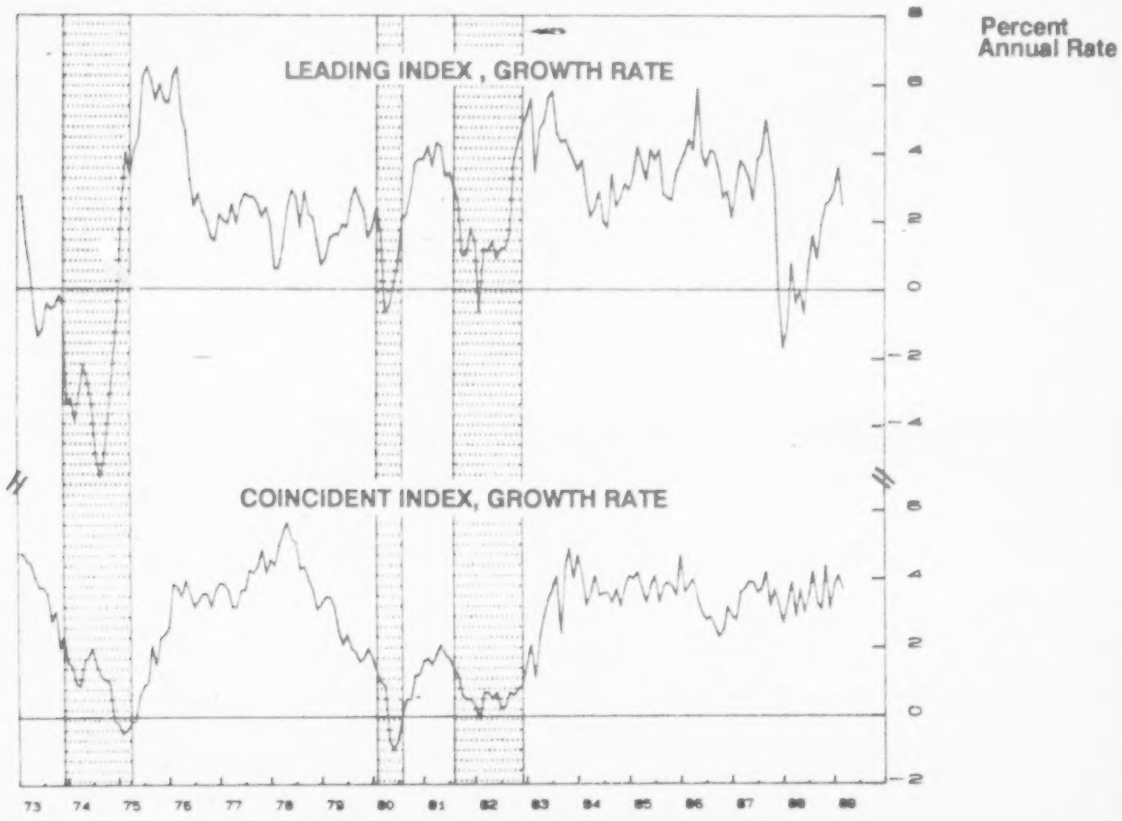
STEADY GROWTH FORESEEN FOR SERVICES

The leading index of service sector activity grew at an annual rate of 2.5% in February, continuing the steady growth seen in the few months before January's high point of 3.6%. The index was pulled down slightly by a drop in commercial contracts, which was largely offset by increases in stock prices for services and in the profit margin index. The average workweek for services stayed virtually unchanged.

The coincident index of service sector activity grew at an annual rate of 3.7% for February, down slightly from January's 4.1%. The growth in the index reflects higher personal consumption expenditures for services, offset in part by lower labor income and a slight drop in employee hours in service industries.

All in all, the service sector seems to continue its steady, if unspectacular, growth.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1988:						
Jan.	148.5	-1.1	32.88	716	82.3	111.0
Feb.	150.1	0.8	32.94	948	86.0	111.5
Mar.	149.3	-0.4	32.70	771	87.5	111.8
Apr.	149.7	0.0	33.01	718	85.3	110.2
May	149.2	-0.7	32.80	716	83.0	110.7
June	150.4	0.7	32.82	782	89.2	111.0
July	151.2	1.6	33.04	771	88.7	110.6
Aug.	150.7	0.9	32.72	820	87.9	111.4
Sept.	151.4	1.9	32.82	771	91.0	111.4
Oct.	151.9	2.5	33.01	663	94.3	110.2
Nov.	152.0	2.6	32.81	763	91.7	111.7
Dec.	152.5	2.9	32.89r	773	92.9	111.1
1989:						
Jan.	153.5	3.6	33.05r	790r	95.2	110.7
Feb.	153.0	2.5	32.82	675	98.7	111.3

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1988:						
Jan.	179.5	3.3	1829.7	1260.7	658.481	106.641
Feb.	180.6	3.9	1833.4	1268.2	663.334	107.636
Mar.	180.2	2.9	1837.6	1269.0	659.481	107.032
Apr.	181.4	3.7	1841.9	1269.4	669.509	108.109
May	181.3	3.0	1846.1	1272.0	666.941	107.786
June	182.2	3.5	1851.7	1283.1	668.851	108.546
July	183.4	4.2	1857.2	1285.9	675.110	109.713
Aug.	183.1	3.3	1862.8	1292.3	671.372	108.916
Sept.	183.4	3.1	1868.3r	1288.5	673.805	109.243
Oct.	185.1r	4.4r	1873.7r	1304.2r	682.201	110.347
Nov.	184.5r	3.1r	1879.2r	1300.0r	676.861	109.992
Dec.	185.6r	3.8r	---	1302.6r	682.845r	110.785r
1989:						
Jan.	186.5	4.1	---	1302.1r	687.241r	111.693r
Feb.	186.7	3.7	---	1313.7	683.905	111.566

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.
r = revised.
Cols. 1, 2 and 6 are revised because of a new seasonal adjustment for Services Labor Income.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.
6. This series is constructed by CIBCR using the price deflator for services consumption, labor income, and an experimental monthly services output index developed by the Federal Reserve Board.
9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.
11. Bureau of Labor Statistics. Payroll index, 1977 = 100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.
12. Bureau of Labor Statistics, all employees.